



Appraisers Be Careful of New HUD Form!

*Three Years Sales and Listing
History Required
You Must Analyze the Contract*

By Jon R. Brown
Enforcement Director

Don't let the new HUD URAR form mislead you! Even though there is a box on the first page to check "did or did not analyze the contract of sale", just checking the box "did not" will not comply with USPAP. USPAP requires an appraiser who is developing market value to analyze all agreements of sale current as of the effective date of the appraisal.

The form also states in Section 5 of the certification page that the appraiser researched and reported on any offering of sale (listing) of the subject property for the past 12 months, unless otherwise indicated in the report. Under Utah law you must analyze and report the listings for (3) three years prior, if available. And under USPAP, you don't have the option to analyze and summarize less than three (3) years of sales history.

Utah Rule 162-106.7 requires you to "analyze and report the listing history of the subject property for the three years preceding the appraisal if such information is available to the appraiser from a multiple listing service, listing agent(s), or the property owner."

USPAP Standard 1.5 b requires you, for market value appraisals, to analyze all sales that occurred within the three years before the effective date of the appraisal if that information is available in the normal course of business.

Don't be mislead by a form! The form will not help in the defense of a USPAP violation or a state law or rule violation. Often a client would be happy with a report that is not compliant, but that is no excuse or defense for such actions.



Important Changes to Appraiser Qualifications

The Appraiser Qualifications Board (AQB) has determined that in order to better prepare appraisers to meet minimum competency levels, the pre-license education requirements need to be increased. To become an appraiser in Utah, the education requirements are currently 90 hours for Licensed Appraisers, 120 hours for Certified Residential Appraisers, and 180 hours for Certified General Appraisers. The federally mandated changes will increase the minimum requirements to 150 hours for Licensed Appraisers; 200 hours for Certified Residential Appraisers **plus** an Associates degree or higher in any field of study *or* 21 semester credit hours in specific subjects; 300 hours for Certified General Appraisers **plus** a Bachelors degree or higher in any field of study *or* 30 semester credit hours in specific subjects. The changes will go into effect January 1, 2008.

According to the AQB, "...state appraiser regulators indicate that the majority of disciplinary actions relate to a lack of education on the part of the appraiser.... At the present time, individuals seeking to become an appraiser may select courses covering material that

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Five Step Program for (Honest) Appraisers



By Phil Boehm

We live in interesting times, large and small lending operations are doing battle for the remnants of the re-fi market. The internet makes it easy for small, aggressive shops to compete with larger

lenders on rates and fees. Borrowers are much smarter and much more likely to demand competitive terms.

The squeeze lenders feel trickles down to us appraisers, of course, as we deal with pressure on turn times, fees and value.

Feel like a Pancake? (Dealing and Turnover)

Many appraisers get turned over more times than a pancake at a church breakfast! If the following sounds too familiar, it may be time for you to jump out of the frying pan and into a better situation.

You're an appraiser, you've got a great staff and your biggest and best client, ABC Mortgage just loves you. ABC gives you tons of work and you're as busy as can be. Life is good. Eventually, some of your "friends" at ABC start requesting that their orders move to the top of the pile. You try to accommodate them without letting other clients down but it's never enough. Eventually your buddy at ABC becomes unhappy.

The bruised victim is upset and starts to wonder how fast another appraiser can get the job done. So they call your competitor, Bill. Bill doesn't have too many clients right now so his turn-time is super fast. Our victim at ABC starts speaking Bill's praises. The processors are blown away by the one-day turn-time and begin feeding him lots of work. ABC decides that your company is no longer efficient and begins sending all their orders to Bill. It's a vicious cycle that most appraisers are familiar with.

Bill loves your ex-client ABC. But he is no longer able to be quite so attentive to his other clients, so they begin looking for someone new. You have some free time so you begin courting Bill's clients. And so it goes. In these cases

we are our own worst enemies because we encourage the "Fast Freddie" mentality instead of demanding the respect that our profession deserves. ("Sure, we can meet your turn time.") If we're not careful, we become the puppets of the mortgage sources, who always are looking for greener pastures.

Five Step Program for Appraisers

1. Turnover happens, appraisers have to accept it. First and foremost, we should keep our quality high and consistent. Being "slow" is a spot of mud that washes off much easier than the indelible stain of fraud. If you have a reputation for quality, lenders who have an appraisal that requires extra care will remember you when they need a difficult job done right, regardless of the time frame.
2. Don't burn any bridges. Chances are that you are providing a needed service, so give your ex-clients the option to come back to you. Companies shift personnel often. The broker who left you for another appraiser because they couldn't have their way with you, may not be around forever.
3. Know when to say no. If an order is not profitable because it's too far, too complicated (for the fee) or smells bad, do not be afraid to decline. It's better to turn someone down than to let someone down (especially yourself).
4. Keep the customer service smooth and flowing. Smooth means doing your best to be kind and courteous (as often as possible). Try to stay positive. Assume the best, not the worst. Listen, and then if you find a problem, fix it. If you make a mistake, admit it. There is a fine line between "pleasing" and "appeasing." This is the tightrope between customer service and professional responsibility. Keep the customer service smooth and flowing within the ethical boundaries of the profession.
5. Keep marketing! Have an image (a brand) and a presence (virtual and/or physical). The mortgage industry is fast-paced; loan officers and processors move around

constantly. Make it your business to make yourself available to them on a continuous basis. The Internet is the best place for communicating your business information. If a lender in California needs an appraisal in Ohio, 99 times out of 100 they will turn to the Internet before picking up an Ohio phone book. Have an identity that your clients can remember positively and get it out where people can find and remember you.

Epilogue

Frankly, appraising ain't what it used to be. The combination of poor lobbying on our behalf (no influence), a confusing USPAP and the vastly expanding mortgage landscape courtesy of the Internet, means that certain lenders, AMCs, and others who don't value the profession, are able to move on when they encounter an appraiser who won't play their game: "Okay then, we'll find a cheaper, faster guy who will get the deal done." Sadly, they often do.

New appraisers come in, get licensed, take low-fee work, lose money on every deal and try to make it up in volume. Lenders never take no for an answer. They search until they find the report on their timetable, on their terms and at their fee. It's hardly the description of an impartial third party charged with the vital fiduciary responsibility of determining collateral value in a loan process.

The trick? Be everywhere, be reachable but don't be everything to everybody just to avoid losing business: losing clients is a much better alternative than losing your license. Firing bad clients is like trimming fat; it allows you to get more done, more quickly and you feel better doing it.

Phil Boehm has worked with multiple appraisal companies, mortgage companies and currently resides with www.appraiser911.com, "Preventing Appraisal Emergencies" and helping get appraisers referred work around the nation.

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Pre-Licensing Course vs. Continuing Education Course

The Division receives several calls a day from individuals not understanding the difference between a pre-licensing course and a continuing education course.

A pre-licensing course is the education completed for initial licensure or certification or for an individual upgrading to another level. A pre-licensing course must be at least 15 hours in length and require the individual to successfully pass an exam at the end of the course. [A complete listing of approved appraiser pre-license education is found on our website at www.commerce.utah.gov/dre.]

A continuing education course is one completed for renewal of a license-certification. A continuing education course can be from 2 hours up and the individual is not required to complete a test at the end of the course, excluding the National USPAP course. **Continuing education courses will not apply toward the education required to obtain a license or certification.**

Individuals who take a pre-licensing course and pass the exam at the end of the course may receive either pre-licensing or continuing education credit for this course. When a pre-licensing course has been taken but the individual did not take the test, or failed the test, he/she shall be awarded continuing education credit only.

Reprinted with permission Kentucky Real Estate Appraisers Board, March 2005.

Utah Appraiser Licensing Statistics as of 08/11/2005

Registered Appraiser Trainees	262
Licensed Appraisers	138
Certified Residential Appraisers	622
Certified General Appraisers	337

Cost Approach: Why Sidestepping it Can be Costly

By Gretchen Gary and Richard Vishanoff

“I don’t like using the cost approach. It’s too time consuming. Market-based appraisals are always more reliable. Besides, I’m not required to include the cost approach in my appraisals. It’s not relevant anymore.” Sound familiar?

If you’re skipping the cost approach, you could be doing a great disservice to your clients and your appraisal practice. Here’s why.

The cost approach is the most reliable valuation method for a variety of assignments. It is primarily useful when projecting costs for new or proposed construction or where a lack of market activity limits the effectiveness of the sales comparison or market approach. It is an essential method when land value is well supported, when improvements represent the highest and best use of land, and for special-purpose properties not frequently exchanged on the market.

It is an excellent way to verify the validity of market value and to adjust estimates to account for unique features of the subject. It is also extremely useful in determining depreciation values for physical deterioration or functional or external obsolescence, as applied to the market approach.

Dollars and Sense

The market approach supposes that the value of a property is best measured by what similar properties in similar environments have sold for, all differences accounted for. Obviously, prices can not exceed what buyers are willing to spend, but in times of housing shortages and increasing demand, it becomes difficult to gauge what a reasonable price is.

Based on the reasoning that a buyer will not pay more than the cost to reproduce or replace the subject property, the cost approach is used to determine a replacement or reproduction cost minus depreciation. That figure is then added to the estimated land value to complete the appraisal.

Many argue that the cost approach can be unreliable and incomplete. And depending on the extent of the training and the expertise of the appraiser, this can be the case. But in these instances, incorrect usage and wrongly applied methodology are more to blame than the method itself.



Market Approach: Appraiser Beware

Today’s real estate market presents unique challenges for appraisers who only use the market approach. In many markets throughout the country, a housing shortage coupled with increased demand has driven prices up considerably. In markets such as these it is quite common to see a surge in prices that misrepresents the real value of the subject property. While sales of previously owned homes keep the economy churning, not nearly enough new units are being built to satisfy short-term demand. If market values substantially exceed replacement cost, including land, there is a significant risk that values will slide over the next few years when the expected supply surge catches up with the demand.

In addition, loan officers hammer away at appraisers to hit the target prices on the sales contract. This further fuels an already hyper-inflated market. In hot housing markets, the cost approach can produce an estimate that is more in line with sustainable real estate values than the inflated valuations that are commonly derived using the market approach.

CA = QC (Cost Approach & Quality Control)

The cost approach had always served a crucial quality control function. Historically, it has been used to verify market-based estimates and to help identify a potential runaway or rapidly declining market. If the cost approach comes in well below market prices, it may be a signal that the market is rising beyond sustainable levels. If the cost approach comes in significantly above the market, it may signal that prices have dropped below reasonable levels. In other words, the cost

approach provides a much needed reality check in both strong and weak markets, establishing a trustworthy benchmark of value.

Economies across the globe have witnessed time and time again that markets without reality checks are capable of generating obscene transaction values, resulting in dangerous bubble scenarios. Amid fears of the current housing bubble bursting, appraisers would do well to incorporate the cost approach in their daily operations to ensure accountability and avoid over-inflated appraisals.

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Web Page Helps Appraisers Thwart Transaction Pressures



(WASHINGTON) – The Appraisal Institute’s governmental affairs office has taken the unusual step of posting an information page on its Web site specifically designed to help members file complaints against lenders, mortgage brokers, and/or real estate agents who put pressure on them to appraise homes to specific values.

An Institute spokesman said the Web page is a partial response to media stories nationwide concerning mortgage fraud and the role appraisers have played in the conspiracies to loot values out of houses.

The Appraiser Independence Action Center is to help appraisers complain to authorities about those who pressure them to rubber-stamp prices.

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USPAP Q&A

Vol. 6, No.12

December 2004

Question:

I have been asked to perform an appraisal involving proposed improvements. The client has indicated that plans and specs have not been finalized. Does USPAP require me to review the plans and specifications prior to completing this assignment?

Response:

No. Standards Rule 1-4(h) states, in part

(h) When appraising proposed improvements, an appraiser must examine and have available for future examination:

(i) Plans, specifications, or other documentation sufficient to identify the scope and character of the proposed improvements; (Bold added for emphasis.)

Hence, the appraisal can be based on “other documentation” if that documentation provides sufficient information to properly identify the relevant characteristics of the subject property.

Additional guidance on appraising proposed improvements may be found in Advisory Opinion 17 (AO-17) “*Appraisals of Real Property with Proposed improvements.*”

Question:

If two appraisers sign an appraisal report, what are the obligations related to record keeping? Specifically, must both appraisers keep a copy of the workfile?

Response:

No, it is not necessary for both appraisers to have a copy of the workfile.

The Record Keeping section of the ETHICS RULE states, in part:

An appraiser must have custody of his or her workfile, or make appropriate workfile retention access, and retrieval arrangements with the party having custody of the workfile.

Neither appraiser is required to have custody of the workfile. However, an appraiser who does not have custody must make appropriate arrangements for retention, access, and retrieval.

“You can’t escape the responsibility of tomorrow by evading it today.”

~Abraham Lincoln~



Appraiser Disciplinary Sanctions

BECKSTEAD, SCOTT J., State-Certified Residential Appraiser, Salt Lake City. Agreed to pay a \$500 fine for violating USPAP by failing to clearly and accurately set forth an appraisal in a manner that would not be misleading. In an April, 1999 appraisal, Mr. Beckstead incorrectly reported that the subject had not been sold or listed within the previous 12 months. Mr. Beckstead maintains in mitigation, that he asked the owner and the mortgagee of the subject property about it having been listed, and they told him that it had not been listed. He also asserts that he did a listing search for the subject property in the Multiple Listing Service and the subject property did not show as having ever been listed. #AP01-03-08

BITTON, CHRISTIAN E., State-Certified Residential Appraiser, Salt Lake City. Agreed to pay a \$2,000 fine because of violation of USPAP. In one appraisal, Mr. Bitton failed to analyze the current listing of the subject property, failed to check county records to determine the record owner of the subject property, and failed to give due consideration to the prior sales and listing history on the subject property. In a second case, Mr. Bitton did not check county records to determine the ownership of the subject property. If he had checked county records in connection with that appraisal, he would have discovered that the seller had only recently obtained title to the property and he could have inquired into the price at which the seller had purchased the property. Mr. Bitton maintained that in mitigation he was never informed by anyone that he should check county records on the subject property when doing an appraisal. #AP02-05-07, AP02-10-30.

CASE, DOUGLAS, State-Certified General Appraiser, Salt Lake City. Application for reinstatement of expired certification denied because of factors including: collecting appraisal fees from a mortgage company's clients but never providing appraisals or a refund; an unsatisfied civil judgment obtained against him by the mortgage company; failing to respond in a timely manner to the Division's investigation of a complaint; criminal history; paying the fee for his application to reinstate with a check drawn on a closed account; and failing to make the check good after it was dishonored by the bank.

CLOWARD, SCOTT S., State-Certified Residential Appraiser, Provo. Agreed to pay a \$4,000 fine, complete the USPAP update course, purchase the 12th edition of "The Appraisal of Real Estate", and that for two years he will not supervise or sign for trainees that are earning points for licensure. In one appraisal, Mr. Cloward overvalued the site and used inappropriate methods by selecting stale, outdated comps unlike the subject size and style of improvements. In the second appraisal, Mr. Cloward failed to collect, verify and analyze proper data on the subject property, used square footage figures that did not match his sketch of the subject property, used improper methods in the adjustment of the comps, and failed to address external obsolescence. In the two foregoing appraisals and in a third appraisal, Mr. Cloward also committed an error of

omission or commission that affected the appraisals, failed to analyze available comparable sales data, rendered appraisal services in a negligent or careless manner, and failed to clearly and accurately set forth the appraisal in a manner that would not be misleading. #AP01-08-11, AP02-03-07, and AP01-03-08.

CLOWARD, STEVE W., State-Certified Residential Appraiser, Orem. Agreed to a six-month suspension of his appraiser certification beginning March 23, 2005 because of numerous USPAP violations in three appraisal reports, and based on allowing non-licensed trainees to do unsupervised inspections of properties and splitting fees with unclassified persons and trainees working out of his office. At the end of the suspension, Mr. Cloward's certification will be placed in a "surrendered" status and a State-Licensed Appraiser license on probationary status will be issued to him in its place. The probationary status will last for two years, during which time Mr. Cloward may not apply for a new certification. He may not supervise or sign for any other appraiser, unclassified person or appraiser trainee during the two year probationary period. Mr. Cloward was also fined \$5,000 and ordered to complete remedial education. #AP03-04-12, AP03-04-13, AP03-01-20, AP03-01-23, AP01-08-12, AP01-12-04.

CRITCHFIELD, BOWRING W., State-Certified Residential Appraiser, Orem. Agreed to surrender his appraiser certification and be issued a State-Licensed Appraiser License on probationary status for two years in its place, because of numerous USPAP violations including failure to have supporting documentation in his workfile, making errors, rendering appraisals in a negligent manner, using inappropriate methods in an appraisal, and making misleading statements in appraisal reports. He will not be permitted to apply for a new certification until the two-year probationary period is over, and he will not be permitted to supervise or sign for any other appraiser, unclassified person or trainee for that same period. Mr. Critchfield was also fined \$4,000 and ordered to complete remedial education. #AP03-02-10, AP02-07-14, AP01-09-04.

FINCH, NANCY L., State-Certified Residential Appraiser, Salt Lake City. Agreed to pay a \$1,000 fine and complete an approved 7-hour USPAP update course for failing to report the listing history of the subject property for three years preceding the appraisal and for failing to clearly and accurately set forth the appraisal in a manner that would not be misleading. Ms. Finch disclosed in her appraisal report that there was a current MLS listing for the subject property but did not report or analyze in her appraisal report the current MLS listing price. #AP20731

GRAY, THOMAS R., State-Certified Residential Appraiser, South Jordan. Agreed to pay a \$1,500 fine and complete a small residential income property appraisal course for failing to analyze a prior sale of the subject property that occurred within the past year, failing to maintain records to support his value conclusions, making a series of errors, and failing to clearly and accurately set forth the appraisal in a manner that would not be misleading. The complaint received by the Division concerning the appraisal alleged that the property was significantly overvalued, that it was misleading in that light

industrial influences on the subject property were not disclosed, and that the rent comparables were not similar to subject property. #AP18469

HOYER, FRED W., State-Certified Residential Appraiser, Riverton. Agreed to pay a \$1,000 fine for violating USPAP by rendering appraisal services in a careless or negligent manner and for violating the USPAP competency rule. A complaint was filed against Mr. Hoyer by a lender, alleging that his valuation was high and that the appraisal used comparable sales that were unlike the subject property in that they were larger, of higher quality, and on larger sites than the subject property. The appraisal was also the subject of a lawsuit in which the lender obtained a judgment against Mr. Hoyer for damages. That judgment has been satisfied. #AP18788.

OLSEN, RIC, State-Certified Residential Appraiser, Salt Lake City. Agreed to pay a \$1,500 fine and purchase the Appraisal Foundation book, "The Appraisal of Real Estate" for violating USPAP in two appraisals. In one appraisal, the report stated that the home had been listed in the past year for \$310,000, but at the time the report was signed, the home was listed for \$230,000. The borrower's purchase contract with the seller showed a \$300,000 purchase price with a \$60,000 "equity gift" from the seller, but the appraisal report did not address the equity gift. In the other appraisal, Mr. Olsen admitted that he missed the listing information in the Multiple Listing Service on the subject property but asserts that he has now taken a class on how to more efficiently search the Multiple Listing Service data. #AP03-08-08, AP03-11-09.

ROSQVIST, WILLIAM V., State-Certified Residential Appraiser, Bountiful. Agreed to pay a \$3,500 fine, complete a 15 hour USPAP course and purchase the Appraisal Foundation book, "The Appraisal of Real Estate" for violating USPAP Standards rules 1-1(a) and 1-1(c), 1-4(b) (ii) and (iii), 2-1 (a) and 2-2 (c) (vii). The complaint received by the Division alleged that Mr. Rosqvist's form 2005 appraisal and his later Fannie Mae Form 1004 appraisal of a home were high and were not based on proper methods in that the listing history of the subject property was not reported or analyzed in the appraisal reports. #AP19139

WHETTON, CAROLYN S., State-Certified Residential Appraiser, Ogden. Agreed to pay a \$1,500 fine and complete a course on the appraisal of small residential income properties for violating USPAP in two appraisals. Ms. Whetton also agreed that she will not accept any assignments dealing with the appraisal of small residential income properties until she has completed the course in appraising such properties. In one appraisal, Ms. Whetton failed to report or analyze the current listing of the subject property, had no documentation in her file to support the replacement cost figures she used, and made several errors in the report. In the second appraisal, the report stated that the property had not been listed for sale in the past 36 months although the property was currently listed for sale. In addition, the report stated that the transaction was a refinance when the appraisal was actually done for the buyer's purchase money financing. #AP02-08-08, AP03-08-26.



Real Estate Disciplinary Sanctions

BEINS, STUART D., Sales Agent, Tremonton. Sales Agent license renewed on May 27, 2004 on probation until next renewal because of factors including entering into a diversion agreement to a criminal charge. During probation, broker acknowledgment of probation is required for affiliation with any broker.

BLAKE, CHRISTOPHER, Sales Agent, Taylorsville. Application for sales agent license approved on December 22, 2004 on probationary status until first renewal because of factors including past criminal history. During probation, broker acknowledgement of probation is required for affiliation with any broker.

BOYLE, KENNETH, Principal Broker, formerly an Associate Broker with C-21 At The Rockies, American Fork. Agreed to pay a \$1,500 fine and complete the Division of Real Estate Trust Account Seminar and an ethics class. The Division alleged that Mr. Boyle: 1) acted as an agent for buyers before he had obtained informed, written consent from the sellers that he could act in that capacity; 2) breached his fiduciary duty to his sellers by structuring a transaction in which the buyers rented the sellers' home although the sellers' loan required owner occupancy; and 3) violated Utah Code Ann. §61-2-11(8) by structuring a transaction in which he and his wife offered a gift of \$400 per month to the sellers to make the transaction work, and then, after the failure of the transaction, they asserted a claim for reimbursement of the gifted funds against money on deposit in the brokerage trust that belonged to the sellers. Mr. Boyle neither admitted nor denied the violations but agreed to the sanctions in settlement of the complaint. #RE20-01-24.

BOYLE, REBECCA, Sales Agent, formerly a sales agent with C-21 At The Rockies, American Fork. Agreed to pay a \$1,500 fine and complete the Division of Real Estate Trust Account Seminar and an ethics class. The Division alleged that Ms. Boyle: 1) acted as an agent for buyers before she had obtained informed, written consent from the sellers that she could act in that capacity; 2) breached her fiduciary duty to her sellers by structuring a transaction in which the buyers rented the sellers' home although the sellers' loan required owner occupancy; and 3) violated Utah Code Ann. §61-2-11(8) by structuring a transaction in which she and her husband offered a gift of \$400 per month to the sellers to make the transaction work, and then, after the failure of the transaction, they asserted a claim for reimbursement of the gifted funds against money on deposit in the brokerage trust that belonged to the sellers. Ms. Boyle neither admitted nor denied the violations but agreed to the sanctions in settlement of the complaint. #RE20-01-25.

BULLOCK, TODD, Sales Agent, Salt Lake City. Application for sales agent license approved on November 8, 2004 on probation until first renewal because of factors including past criminal history and the facts underlying the convictions. During probation, broker acknowledgement of probation is required for affiliation with any broker.

BURNINGHAM, DAVID R., Sales Agent. Allpro Realty Group, Inc., Formerly with Reeve Realty & Investment, Inc., Sandy. Agreed to pay \$1,500 fine and complete a course on the Real Estate Purchase Contract. Mr. Burningham receipted earnest money on behalf of his broker and gave it to the seller instead of to his principal broker for deposit into the brokerage trust account, acted as a limited agent without informed consent, and breached fiduciary duty to his principals. Mr. Burningham represented buyers who were interested in purchasing a property and also represented an investor who agreed to purchase the property and lease it to the buyers, giving them an option to later purchase the home. Mr. Burningham prepared a Real Estate Contract and a "Residential Tenancy Agreement" for use in various disagreements between the buyers, the investor, and Mr. Burningham concerning who was in default and who should pay how much money to whom. #RE 21823

BUTLER, THOMAS B., Principal Broker, Butler Real Estate Co., Salt Lake City. Agreed to pay a \$500 fine because of violation of Utah Code Section 61-2-11(15) by failing to use State-approved forms for a transaction. A buyer agreed to purchase a one-half interest in a condo owned by Mr. Butler. No REPC was signed, no settlement was conducted, and no deed was signed conveying a one-half interest to the buyer. In exchange for \$20,000 and an agreement to assume half of the expenses on the property, the buyer received a "Purchase Receipt." A dispute later developed over the purchase and the buyer complained to the Division. Mr. Butler thereafter refunded the \$20,000, less an amount deducted for half the expenses on the condo. Mr. Butler maintained that in mitigation he had wanted to rent the condo to the buyer, not sell it, but that although she was anxious to find housing, she did not want to rent and could not qualify to buy, so he decided to sell her half of the equity in the condo and allow her to reside there. #RE17629.

CLEMENTS, JOHN W., JR., Sales Agent, Salt Lake City. Application for a sales agent license approved June 10, 2003 on probation until first renewal because of factors including a criminal history. During probation, broker acknowledgment of probation is required for affiliation with any broker.

CLIFFORD, KENNETH L., Associate Broker, and CLIFFORD, COLLEEN E., Sales Agent, both formerly with Impression Group Real Estate, Inc., Salt Lake City. Mr. and Mrs. Clifford both agreed to a 2-year suspension of their licenses beginning September 1, 2004 because of violation of Administrative Rule R162-6.1.1, which prohibits participating in a transaction in which any document, agreement, closing statement or any other device or scheme is used that does not reflect the true terms of the transaction. Mr. and Mrs. Clifford acted as licensees in real estate transactions in which Carolyn Ethridge, as attorney in fact for Debra Rasmussen or as a corporate officer of various entities, purchased several homes in the same neighborhood that had been part of the 1999 Salt Lake Parade of Homes. In one transaction involving a home the Cliffords had listed for approximately \$500,000, the Real Estate Purchase Contract they presented to their seller reflected a \$750,000 sales price. The terms of the offer were a \$1.00 earnest money deposit, a

\$525,000 sub-prime loan, and \$225,000 in seller financing. The seller financing was not actually to be paid to the seller but was a device used by the buyer to obtain financing. When the transaction closed, the seller received \$500,000 in gross proceeds but later received a Form 1099-S from the title company that showed his gross proceeds as \$750,000. In a second transaction, the Cliffords presented a similar \$750,000 offer from the same buyer on a home listed for \$579,000. The seller's agent objected to the offer and withdrew from the transaction, and the seller rejected the offer. In a third transaction, the Cliffords presented a similar \$750,000 offer from the same buyer on a home that had never been listed above \$450,000. The seller's agent advised the seller to reject the offer and the seller did reject the offer. The buyer later purchased that property directly from the seller without assistance from the Cliffords. The Cliffords assisted the same buyer in a fourth and a fifth transaction in which the buyer offered a \$1.00 earnest money deposit and the balance of \$448,999.00 and \$439,929.34 respectively were to be brought to closing. The payments on the loans on all of the homes purchased by this buyer went into default shortly after closing and the homes were foreclosed and later sold at substantially less than their original prices. The Cliffords maintained that in mitigation, among other things, the majority of their home sales prior to 1999 had been homes under \$200,000, they had attended classes in which they had been encouraged to use "creative financing", they had no knowledge that Carolyn Ethridge intended to borrow more on any of the properties than the amount necessary to purchase the properties, and they relied on other professionals in one of the transactions, including the seller's attorney, the appraiser who appraised the property, and the mortgage broker. #RE20-01-01, RE01-11-20.

COCHRANE, RANDY, Sales Agent, Sandy. Sales Agent license renewed on probation October 10, 2003 until next renewal because of factors including a plea in abeyance to a criminal charge that occurred while his sales agent's license was on probation.

COLEMAN, COREY, Sales Agent, Washington. Application for sales agent license approved on May 25, 2005 on probationary status until his first renewal because of factors including past criminal history. During probation, broker acknowledgement of Mr. Coleman's past convictions and the probationary status of his license will be required for affiliation with any broker.

CRAGUN, JAMES M., Principal Broker, JMC Realty Services, Ogden. Agreed to pay \$2,000 fine for two separate violations of Utah Code Ann. § 61-2-11 (7), which prohibits paying or offering to pay valuable consideration to unlicensed persons, and for two separate violations of Utah Code Ann. § 61-2-1, which provides that it is unlawful for any person to act as a sales agent without a license. Mr. Cragun permitted Randy R. Scadden to act as a sales agent for JMC Realty Services, and paid Mr. Scadden commissions on two closed transactions. Although Mr. Scadden had passed the sales agent examination, he had not applied for, or obtained, a sales agent license from the Division. #RE23208

CROCKER, BILLIE, Principal Broker, Murray. Application for

renewal of broker's license approved on November 8, 2004 on the condition that the license shall not be activated for the term of the renewed license.

DALTON, MARK R., Sales Agent, Midvale. Application for a sales agent license approved on June 24, 2004 on probation until first renewal because of factors including a criminal history. During probation, broker acknowledgment of probation is required for affiliation with any broker.

DAVIES, JAMAN W., Inactive Sales Agent, Centerville. Surrendered his sales agent license effective December 15, 2004 in lieu of continuing to respond to the Division's investigation. While working as a licensed mortgage loan officer, Mr. Davies created the paperwork for, and caused to be funded three loans that were falsified in that the loans were obtained in other peoples' names. He thereafter attempted to cause an additional falsified loan to be funded to pay off one or more of the original three loans. #RE21299.

DeLAY, BABS, Continuing Education Instructor, Salt Lake City. Application for a new instructor certification issued March 9, 2004 on probation because she failed to track continuing education certification expiration dates when previously certified, minimized the gravity of her actions, and appeared to disregard rules regarding continuing education certification.

DENT, TRISHA, Sales Agent, South Jordan, Utah. Application for sales agent license approved on May 25, 2005 on probationary status until her first renewal because of factors including past criminal history. During probation, broker acknowledgment of Ms. Dent's past conviction and the probationary status of her license will be required for affiliation with any broker.

DINKELMAN, ROBERT J., Sales Agent, West Jordan. Application for renewal approved on November 8, 2004 on probation until next renewal because of factors including a plea in abeyance to a criminal charge and the facts underlying the criminal matter. During probation, broker acknowledgment of probation is required for affiliation with any broker.

ELLIS, SONJA, Sales Agent, Salt Lake City. Application for sales agent license approved on May 25, 2005 on probationary status until her first renewal because of factors including past criminal history. During probation, broker acknowledgment of Ms. Ellis's past conviction and the probationary status of her license will be required for affiliation with any broker.

ENCE, CODY, Sales Agent, St. George. Application for a sales agent license approved May 17, 2004 on probation until first renewal because of factors including a criminal conviction. During probation, broker acknowledgment of probation is required for affiliation with any broker.

EVANS, CHRISTOPHER, Sales Agent, Orem. Application for sales agent license approved on May 25, 2005 on probationary status until his first renewal because of factors including negligent

preparation of appraisals while he was an appraiser certified by the Division, which appraisals were the subject of civil litigation. During probation, broker acknowledgement that Mr. Evans negligently prepared appraisals that were the subject of litigation and of the probationary status of his license will be required for affiliation with any broker.

FIFE, KENNETH R., Timeshare Salesperson, Marriot's Mountainside, Park City. Agreed to pay a \$250 fine for continuing to act as a timeshare salesperson after his registration expired for failure to properly complete his renewal form. #RE 23884

FINK, MICHAEL, Sales Agent, Coldwell Banker Residential Brokerage, West Jordan. Agreed to pay a \$500 fine and complete an ethics course. While acting as a listing agent, Mr. Fink removed a water cooler from his client's property without permission to do so. When the seller contacted him concerning the water cooler, Mr. Fink told the seller he had removed the water cooler for safekeeping and returned it to the seller. Mr. Fink stated that after a buyer inquired about whether the water cooler had been abandoned, he decided it would be in his client's best interest to place the water cooler in his car to prevent it from being stolen from the vacant property. #RE21965

FOX, BRANDEE, Sales Agent, formerly with C-21 Elite, Salt Lake City. Agreed to pay a \$1,000 fine for breaching a fiduciary duty to a principal in a transaction. Ms. Fox gave a key to a property to the buyers but did not prepare a written agreement between her sellers and the buyers defining what use the buyers were entitled to make of the property once they were given the key, what alterations they were permitted to make to the property before settlement, or what would happen concerning those alterations if the transaction failed to close. After the sellers discovered the buyers living in the home, the sale failed, and the sellers filed a complaint with the Division. #RE19419

GLASMANN, JASON J., Sales Agent, Ogden. Application for a sales Agent license issued October 7, 2003 on probation until first renewal because of factors including a criminal history. During probation, broker acknowledgment of probation is required for affiliation with any broker.

HOLT, LEE R., Broker, Roy. Broker license renewed on probation June 23, 2004 until next renewal because of factors including a criminal conviction.

IMHOFF, ROBERT N., Sales Agent, Salt Lake City. Application for renewal approved on November 8, 2004 on probation until next renewal because of factors including a censure and bar from membership in the New York Stock Exchange and the facts underlying the action. During probation, broker acknowledgment of probation is required for affiliation with any broker.

IRWIN, DAVID, Real Estate Instructor, Park City. Agreed to pay a \$250 fine and that any instructor certification he may apply for in the future would be issued on probationary status for two years.

Mr. Irwin twice taught a course titled, "CSP Course – Certified New Home Sales Professional" after the expiration of the course certification, the Division refused continuing education credit to Mr. Irwin's students who had taken the course from him after the expiration of the course certification.

JACKSON, BILLY J., Sales Agent, Salt Lake City. Application for Sales Agent license approved January 9, 2004 on probation until first renewal because of factors including a criminal history. Broker acknowledgment of probation is required for affiliation with any broker.

JACKSON, JUDY G., Inactive Sales Agent, Orem, formerly with Allpro Realty Group, Inc. Agreed to pay a \$200 fine and complete a real estate ethics course because of unprofessional conduct in a transaction. While acting as buyers' agent, Ms. Jackson took the key from a keybox and gave it to her buyers so that they could make a copy to access the home to show it to a party who had agreed to co-sign with them on a loan to purchase the home. The sellers discovered the prospective buyers in the home and found that the prospective buyers had done substantial work on the home. No REPC had been signed, and the sellers and the prospective buyers never came to agreement on terms for a purchase of the property. Ms. Jackson maintains that in mitigation: 1) she only gave the key to the prospective buyers because she had critical family matters to attend to and had not been able to contact the listing agent for help in showing the property; and 2) the home was not damaged as the sellers claimed, but was actually improved by the prospective buyers' efforts. #RE19178.

JARVIS, MICHAEL W., Sales Agent, Salt Lake City. Application for Sales Agent license approved December 1, 2003 on probation until first renewal because of factors including a criminal history, and failure to report a conviction to the Division when previously licensed. During probation, broker acknowledgment of probation is required for affiliation with any broker.

JEPSON, JAMES, Sales Agent, Salt Lake City. Application for sales agent license approved on November 8, 2004 on probation until first renewal because of factors including past criminal history and the facts underlying the conviction. During probation, broker acknowledgement of probation is required for affiliation with any broker.

KAPANICAS, JAMES M., Timeshare Salesperson, Westgate Park City Resort and Spa, Park City. Agreed to pay a \$1,500 fine in settlement of a matter involving his timeshare sales person registration. After his registration expired, Mr. Kapanicas continued to act as a timeshare salesperson and made sales of timeshare interests to the public.

KIFER, MERVIN "ANDY", Broker, Salt Lake City. Broker license renewed on July 7, 2004 on probation because of factors including a criminal conviction. During probation, broker acknowledgment of probation is required for affiliation with any broker.

KOENIG, KARL F., Sales Agent, Bountiful. License revoked effective January 19, 2005, with the revocation stayed and his license suspended from February 1, 2005 to July 31, 2005, followed by a one year probationary period. During the suspension, Mr. Koenig will be required to complete an ethics course. During the probationary period, he will be required to: a) pay a \$1,000 fine to the Division as a penalty for failure to notify the Division of criminal history; and b) provide a copy of the Stipulation and Order in Case RE98-12-11 to any broker with whom he licenses. Mr. Koenig entered a plea in abeyance to a criminal charge and did not report the plea on his application for renewal. He was convicted of charges in two additional criminal cases and did not report the convictions to the Division. In January 2002, Mr. Koenig was convicted of another criminal charge. In a stipulation signed with the Division, Mr. Koenig admitted that his conduct violated the statutes governing real estate licensees. #RE98-12-11.

KYNASTON, LINDA RAE, Sales Agent, formerly with Coldwell Banker Premier Realty, St. George. Agreed to pay a \$500 fine for violating Administrative Rule R162-6.2.13, which provides that licensees have an affirmative duty to disclose the existence of a due-on-sale clause and the potential consequences of selling and purchasing property without obtaining authorization from the holder of the underlying mortgage. Ms. Kynaston, acting as a buyer's agent, structured a transaction that included seller financing but did not ask the seller's agent to provide the buyers with a copy of the underlying mortgage. #RE18629

LEATHERS, MIKE D., Sales Agent, West Jordan. Application for Sales Agent license approved November 21, 2003 on probation until the first renewal because of factors including a criminal history. During probation, broker acknowledgment of probation is required for affiliation with any broker.

LINDSAY, MARK, Sales Agent, Holladay. Agreed to surrender his license effective April 20, 2005, and that he will not apply for a license or work as an unlicensed real estate assistant for at least two years. Mr. Lindsay admitted that he attempted to use a straw buyer to purchase a home for a buyer who could not qualify for financing, and that at the settlement of the transaction, money was to be paid to a company that Mr. Lindsay owned for work to be performed after closing without written disclosure to all parties that he would receive a real estate commission and other monies in addition. Mr. Lindsay maintains that by including the amounts to be paid to his company on the settlement statement, that would constitute disclosure. #RE02-11-05

LISH, TODD, Principal Broker, Lish Realty, LC, Tremonton. Agreed to pay a \$1,000 fine and complete a continuing education course in agency for breaching a fiduciary duty owed by a licensee to his principal in a real estate transaction. Mr. Lish represented both buyer and seller in a transaction in which the buyer complained after closing that he had not received the seller disclosures required by the Real Estate Purchase Contract until after he had already closed, and that he therefore did not know about easements affecting the property that ultimately interfered with his plans for

the property. Mr. Lish maintains that he did provide a seller Property Condition Disclosure form to the buyer, but admits that he neglected to have the buyer sign for a copy of the form and that he therefore cannot prove that he gave a copy of the disclosure form to the buyer. #RE20-05-29.

LOWE, LANCE, Sales Agent, Henefer. Application for sales agent license approved on December 22, 2004 on probationary status until first renewal because of the revocation of his peace officer certification and the circumstances underlying that revocation. His sales agent license shall be restricted to property management activities only until his first renewal. During probation, broker acknowledgement of probation is required for affiliation with any broker.

MASSIE, WILLIAM, Sales Agent, Ogden. Application for sales agent license approved on December 22, 2004 on probationary status until first renewal because of factors including past criminal history and the facts underlying the criminal history. During probation, broker acknowledgement of probation is required for affiliation with any broker.

McCULLOCH, DAVID, Sales Agent, Ogden. Application for a sales agent license approved June 24, 2004, but immediately suspended because of factors including a criminal conviction. The suspension was to be in place until all fines were paid and he was released from probation in the criminal case. After the suspension, his license will be on probation until first renewal. Broker acknowledgment of probation is required for affiliation with any broker.

MORGAN, KENT, Sales Agent, Salt Lake City. Application for Sales Agent license approved December 12, 2003 on probation until first renewal because of factors including a criminal history. During probation, he must complete payment of his criminal fines and provide broker acknowledgment of probation for affiliation with any broker.

MUNSON, GARY, Sales Agent, Salt Lake City. Application for renewal of sales agent license denied on December 22, 2004 because of factors including the revocation of his Utah Securities Broker-Dealer Agent license and the denial of his application for a securities license based on incompetence, dishonesty, and lack of integrity.

MUSCOLINO, LORI K., Sales Agent, St. George. Application for a sales agent license approved May 11, 2004 on probation until first renewal because of factors including a criminal history, but the license was suspended until she attended the Division of Real Estate Trust Account Seminar. Following the suspension, her license will be on probation until first renewal. During probation, broker acknowledgment of probation is required for affiliation with any broker.

OLCH, JONATHAN, Principal Broker, Bald Eagle Realty, Inc., Park City. Agreed to pay a \$2,000 fine for inadequately disclosing in writing information regarding whether a purchase of a property that was listed with his brokerage was made for himself or for an

undisclosed principal. #RE97-11-05.

PEREZ, RONALD, Sales Agent, formerly with C-21 at the Rockies, Midvale. Agreed to pay \$2,000 fine and complete a REPC course for failing to use State-approved forms, failing to furnish copies of documents, failing to disclose in writing that he was a principal in a transaction, and failing to disclose the existence of a due-on-sale clause in an underlying encumbrance. Mr. Perez had prospective buyers sign documents entitled, "Application for Owner Finance" and "Deposit to Hold Property" and received \$2,000 from them. When it was later determined that the buyers did not have sufficient down payment, Mr. Perez returned the buyers \$1,500 cashier's check and promised to return the remaining \$500. A dispute later developed over the remaining \$500 and Respondent did not refund \$500 until the buyers obtained a small claims court judgment against him for the \$500. #RE21390

PETERSEN, KERBY, Sales Agent, Salt Lake City. Application for sales agent license approved on May 25, 2005 on probationary status until his first renewal because of factors including past criminal history. During probation, broker acknowledgement of Mr. Kerby's past conviction and the probationary status of his license will be required for affiliation with any broker.

POULTON, BOYD R., Principal Broker, NAI Utah Real Estate, Provo. Agreed to pay a \$2,000 fine, have his license on probationary status for six months from June 16, 2004, and complete an ethics course because of: a) representing a brokerage other than the one with which he was licensed; and b) receiving commission directly from a principal broker other than the principal broker with whom he was licensed. In 1996, Mr. Poulton, who was a licensed Idaho broker and who had in the past been licensed in Utah, obtained a new Utah sales agent license. In early 1997, he acted as a buyers' agent for Idaho buyers of a Utah business park. Mr. Poulton's Utah broker maintains that Mr. Poulton did not inform him of the pending transaction. When the commission was paid on the transaction, the commission was paid to Mr. Poulton directly and he thereafter paid a share to his Utah principal broker. In addition, Mr. Poulton listed two Utah properties through his Idaho company and did not inform his Utah principal broker about the listings. #RE97-07-16.

PROVOST, MARK W., Sales Agent, Murray. Application for Sales Agent license approved June 10, 2004 on probation until first renewal because of factors including a criminal history. During probation, broker acknowledgment of probation is required for affiliation with any broker.

PULLEN, BRIAN D., Sales Agent, Park City. Application for Sales Agent license approved May 4, 2004 on probation until first renewal because of factors including a criminal history. During probation, broker acknowledgment of probation is required for affiliation with any broker.

RIVERA, RICHARD R., Sales Agent, Kearns. Application to renew his Sales Agent license approved October 2, 2003 on probation until his next renewal because of factors including a plea in abeyance to

a criminal charge, unpaid back taxes, and an unsatisfied judgment for child support. During probation, broker acknowledgment of probation is required for affiliation with any broker.

ROBISON, JORDAN P., Sales Agent, South Jordan. Application for Sales Agent license approved on September 2, 2003 on probation until first renewal because of factors including a criminal history. During probation, broker acknowledgment of probation is required for affiliation with any broker.

ROMAN, RENEE, Sales Agent, St. George. Application for sales agent license approved on May 25, 2005, but license suspended until she provides evidence that she has paid the fine in a criminal matter in full and that she has been released from probation in that matter. After the license suspension, her license shall be on probationary status until renewal. During probation, broker acknowledgment of Ms. Roman's past conviction and the probationary status of her license will be required for affiliation with any broker.

RUSSELL, SCOTT, Sales Agent, Roy. Application for sales agent license approved on November 8, 2004 on probation until first renewal because of factors including past criminal history, action against his Utah insurance license, and the facts underlying those actions. During probation, broker acknowledgment of probation is required for affiliation with any broker.

RYAN, MICHAEL S., Sales Agent, Salt Lake City. Application for Sales Agent license approved December 9, 2003 on probation until first renewal because of factors including a criminal history. During probation, broker acknowledgment of probation is required for affiliation with any broker.

SATROM, TREVOR J., Sales Agent, Salt Lake City. Application for a sales agent license approved March 15, 2004, but the license was suspended until he proved to the Division that he had been released from court proceedings in connection with a plea in abeyance to a criminal charge. His license, once activated, shall be on probation for the balance of the initial licensing term. During probation, broker acknowledgment of probation is required for affiliation with any broker.

SIGG, HENRY, Principal Broker, Park City. Agreed to pay a \$2,000 fine for inadequately disclosing in writing information regarding whether a purchase of a property that was listed with him was made for himself or for an undisclosed principal. The transaction occurred in May, 1993 while Mr. Sigg was an associate broker licensed with Bald Eagle Realty, Inc. in Park City. #RE97-11-04.

SORENSEN, BRETT R., Sales Agent, Syracuse. Sales agent license renewed on probation on February 10, 2004 because of factors including a criminal conviction, but his license was suspended until he paid all fines owed in the criminal case. After the suspension, his license will be on probation until his next renewal. During probation, broker acknowledgment of probation is required for affiliation with any broker.

TE, TONE S., Sales Agent, Ogden. Application for renewal of sales agent license approved and then suspended for one year beginning January 25, 2005 because of failure to timely pay a fine and to complete continuing education as required by a stipulation he signed with the Division to settle Case RE01-08-27.

VITO, ANTHONY, Sales Agent, Las Vegas, NV. Application for sales agent license approved on November 4, 2004 on probation until first renewal because of factors including past criminal history and the facts underlying the conviction. During probation, broker acknowledgment of probation is required for affiliation with any broker.

WALLACE, STEVEN R., Sales Agent, Tooele. Application for Sales Agent license approved on March 31, 2004 on probation until the first renewal because of factors including a plea in abeyance to a criminal charge. During probation, broker acknowledgment of probation is required for affiliation with any broker.

WISDEN, KRYSTIN A., Sales Agent, Salt Lake City. Application for sales agent license approved April 8, 2004 on probation until first renewal because of factors including a criminal history. During probation, broker acknowledgment of probation is required for affiliation with any broker.

WRAY, LANCE D., Sales Agent, Woods Cross. Sales agent license approved on September 2, 2003 on probation because of a past criminal history, but his license was to be suspended until he provided proof that he had paid all child support liens and all such liens were released. After the suspension, his license was to be on probation until first renewal. During probation, broker acknowledgment of probation required for affiliation with that broker. This license has not ever been issued.

YOUNGBLOOD, ROBERT L., Applicant for renewal of sales agent license. License renewed on probation on August 2, 2004 because the Division of Occupational and Professional Licensing (DOPL) took action against his license to practice medicine and to prescribe controlled substances. His real estate license will be on probation until his probation with DOPL is over. During probation, broker acknowledgment of probation is required for affiliation with any broker.

ZAUGG, LARON, Principal Broker, Homeworks Real Estate LC, Ogden. Agreed to pay a \$4,500 fine, have his license placed on probationary status for two years, and complete the Division of Real Estate Trust Account course and a course in agency. A sales agent whose license had expired was working at Mr. Zaugg's brokerage. Mr. Zaugg paid the agent commissions in at least nine transactions. Mr. Zaugg maintains that when he became aware of the sales agent's unlicensed status, he assigned other sales agents to take over on the additional transactions that the sales agent had in process. Mr. Zaugg admitted that he did not have a procedure in place to monitor whether sales agents working with his brokerage had active licenses or whether their licenses had expired. #RE22059

ZUNDEL, ROGER B., Principal Broker, C-21 At the Rockies, American Fork. Agreed to pay a \$1,000 fine and complete the Division of Real Estate Trust Account Seminar and an ethics class. The Division alleged that Mr. Zundel failed to supervise two sales agents licensed with his brokerage by: 1) failing to prevent them from using an "Interim Occupancy Agreement" which was not authorized by Utah Code Ann. §61-2-20 for use by sales agents; and 2) allowing them to pursue their claim of entitlement to the buyers' forfeited earnest money directly instead of through him. Mr. Zundel neither admitted nor denied the violations but agreed to the sanctions in settlement of the complaint. #RE20-01-23.

The following is a list of individuals whose real estate licenses were automatically revoked for failure to accurately disclose their criminal background on their initial applications.

<u>Name:</u>	<u>Revocation Date:</u>
Ansari, Tu N.	10/22/2004
Alvarez, Jose	11/03/2004
Axtell, Darrell E.	10/22/2004
Cameron, Ian W.	10/22/2004
Carroll, Patrick	10/26/2004
Crompton, Ridena C.	05/17/2005
Halverson, David	05/23/2005
Hinsch, Dawn C.	05/25/2005
Kimble, Richard H.	11/03/2004
Stratton, Robert C.	05/23/2005
Wright, Steven S.	11/03/2004

The following is a list of individuals whose real estate licenses were automatically revoked for failure to accurately disclose their criminal background on their initial applications. Their licenses were reinstated after a post-revocation hearing before the Real Estate Commission.

<u>Name:</u>	<u>Revocation Date:</u>	<u>Reinstatement Date:</u>
Hansen, Ronald H.	11/02/2004	12/16/2004
Kidman, Joell	10/22/2004	12/16/2004
McReynolds, David L.	11/29/2004	02/24/2005
Millburn, Don L.	11/01/2004	11/22/2004
Sanchez, Rick	03/08/2005	04/25/2005



Mortgage Disciplinary Sanctions

AMERICAN RESIDENTIAL HOME LOAN LLC, Licensed Mortgage Entity, Bountiful. Application for license renewal approved on June 14, 2004 on probation until the first renewal because of a plea in abeyance to a criminal charge by its control person, Chad Spencer Reynolds.

ARAVE, STEVEN, Mortgage Officer and Control Person of Provident Finance, LLC, Layton. Agreed to pay a \$100 fine and his license and that of Provident Finance, LLC were inactivated by the Division on January 5, 2005. Mr. Arave failed to notify the Division of an address change and a telephone number change for Provident Finance, LLC. The Division also

received a complaint alleging, among other things, that Mr. Arave submitted a loan application that contained false information for a borrower in that it showed the borrower had two jobs when in fact the borrower had quit one of the jobs. Mr. Arave denied that he knowingly submitted false employment information, and asserted that when he learned that the borrower had quit one of the jobs, he called and notified the lender. #MG19771.

ARMITAGE, LUANNA, Mortgage Officer, West Jordan. Agreed to pay a \$300 fine for advertising "For Sale by Owner" properties by posting signs on the properties and by distributing flyers that showed her and the mortgage company for which she was working as the only contact points and phone numbers for information about the properties. Ms. Armitage maintains that in mitigation, her manager told her that it was acceptable for a mortgage company to advertise properties in this manner. #MG20636

ATLAS HOME MORTGAGE, Layton. Agreed to pay a \$1,000 fine and not to operate a "For Sale by Owner" program in conjunction with its mortgage services. The control person of Atlas Home Mortgage, K. Scott Robinson, operated a "For Sale by Owner" program called "The Atlas Firm" as a means to market loan services to potential homebuyers. As part of the program, signs, flyers, and website listings were provided to parties interested in selling their homes. Calls from parties interested in the listings were taken either by an unlicensed "For Sale by Owner Specialist" or by loan officers licensed with Atlas Home Mortgage. #MG21018.

BALLARD, LAURIE MAY, Mortgage Officer, Pleasant Grove. Agreed to pay a \$500 fine for acting as a mortgage loan officer before she applied to the Division for a license and for advertising "For Sale by Owner" properties by posting signs on the properties and by distributing flyers that showed her and the mortgage company for which she was working as the only contact points and phone numbers for information about the properties. Ms. Ballard maintains that in mitigation, she was told by the office manager that it was permissible for her to originate loans without a license as long as she did not close the loans, and that she was told it was acceptable for a mortgage company to advertise properties in the manner in which she was advertising them. #MG20638

BEEHIVE MORTGAGE, Orem. Agreed to pay a \$3,000 fine because Beehive Mortgage created a "For Sale by Owner" program and encouraged five of its mortgage officers to use the program to advertise properties for sale. The properties were advertised by posting signs on the properties and by distributing flyers that showed Beehive Mortgage as the only contact point and Beehive Mortgage's telephone numbers as the only telephone numbers for information about the properties. Each

property flyer indicated price, amenities, and square footage of the properties, along with pictured of the home offered for sale. #MG20634

BENNION, MERVYN S., Mortgage Officer, St. George. Application for license approved on June 2, 2004 on a restricted status because of factors including a criminal history. The license was placed on probation subject to his timely payment of his unpaid fines in pending criminal matters. The license is to remain on probation until first renewal.

BILLMAN, ROBBI, Mortgage Officer, Bluffdale. Agreed to surrender her current mortgage officer license effective February 2, 2005, and that she would not apply for a new Utah mortgage license for at least two years thereafter, in lieu of continuing to respond to the Division's investigation of a complaint. The complaint alleged that she had altered an addendum to a Real Estate Purchase Contract and raised the purchase price of the property, the amount of seller concession, and the dates and times that the addendum was signed, and then faxed the addendum to a title company. Ms. Billman denies altering the addendum and denies any knowledge of the addendum being transmitted to the title company. #MG18513

BONEVILLE FINANCIAL, INC., Salt Lake City. Agreed to pay a \$5,600 fine for permitting two individuals whose licenses had expired to originate residential mortgages on behalf of the company, and for operating a "For Sale by Owner" web site that offered to help buyers find homes to purchase, offered to list homes for sellers, offered to provide comparable sales to help sellers price their homes appropriately, and provided signage and property flyer to sellers, among other services. #MG22671.

CALUSA INVESTMENTS LLC, Chantilly, VA. Licensed Mortgage Entity, Chantilly, VA. Application for license renewal approved on May 20, 2004 on a restricted status because of a license denial by the Commonwealth of Virginia and an action taken by the Maryland Commissioner of Financial Regulation. The license was immediately suspended until such time as at least one individual who holds a Utah license affiliates with Calusa Investments LLC.

CALUSA INVESTMENTS, LLC, Chantilly, VA. Agreed to pay a \$5,000 fine and cause to be licensed those loan officers that will operate to originate loans in the state of Utah. Calusa Investments, LLC obtained a Utah entity license on January 3, 2002. At least 47 loans in the state of Utah were closed after January 3, 2002, but none of the 24 individual loan officers employed by Calusa Investments, LLC were licensed as mortgage officers in Utah. #MG19295.

CELLA, TODD, Mortgage Officer, Layton. License surrendered effective March 2, 2005 instead of continuing to respond to a Division investigation alleging, among other things, that he altered an addendum to a Real Estate Purchase Contract, a Fannie Mae Form 1003, and other documents to indicate that the loan applied for would be for owner-occupied property when the property was not to be owner-occupied, and that he submitted fabricated

documents to the Division during its investigation. Mr. Cella neither admitted nor denied the Division's allegations. He may not apply for a new license from the Division for at least two years after the date of the surrender of his license. #MG21298

COOK, KREHL, Mortgage Loan Originating Control Person, Provident Financing Corp., Salt Lake City. Agreed to pay a \$2,500 fine for failing to exercise reasonable supervision of the mortgage entity. Mr. Cook hired an individual who did not have a mortgage license to act as a loan officer with his company. In mitigation, Mr. Cook maintains that as soon as he learned that the loan officer was not licensed, he told him he could not work anymore until he was properly licensed. #MG21882

CRAMER, PAUL, Mortgage Officer, Sandy. Agreed to pay a \$400 fine for engaging in misleading advertising that the public may have interpreted to mean that he was representing the seller in a transaction and acting as a real estate agent. Mr. Cramer assisted two sellers in the marketing of their properties with a program he called "One Week Home Sale." This program included an initial bidding process followed by a negotiation process for the purchase of the home. Mr. Cramer advertised the properties for sale using advertising materials that included his name, phone number, and mortgage company name. Included in the advertising was information that is customarily provided by real estate agents, including price, school information, square footage, a list of features of the home, and the statement, "Square footage and information deemed to be reliable, but buyer is to verify." #MG19872

DAVIES, JAMAN W., Mortgage Officer, Bountiful. Surrendered his mortgage officer license effective January 5, 2005 in lieu of continuing to respond to the Division's investigation. While working as a licensed mortgage officer for Secure Mortgage in Bountiful, Utah, Mr. Davies created the paperwork for, and caused to be funded three loans that were falsified in that the loans were obtained in other peoples' names. He thereafter attempted to cause an additional falsified loan to be funded to pay off one or more of the original three loans. #MG21301.

DAVIES, WILLIAM J., formerly Control Person for Secure Mortgage, Bountiful. Agreed not to act as a control person for any mortgage entity subject to the jurisdiction of the Division for at least one year following January 5, 2005, and that he will not employ Jaman W. Davies in any position related to a mortgage entity for at least five years. Unknown to William Davies at the time, Jaman Davies created the paperwork for and caused to be funded three loans that were falsified in that they were obtained in other peoples' names. In mitigation, when William Davies learned of the acts of Jaman Davies, he voluntarily caused the wrongdoing to be disclosed to the Division. #MG21303.

DOJAQUEZ, KIMBERLY, Mortgage Officer, Prestige Mortgage, L.C., Heber City. Agreed to pay a \$1,000 fine and that her license will be on probation until her next renewal for failing to disclose on her initial application for registration as a mortgage officer the fact that she had previously surrendered her Utah real estate license. In

settlement of Case RE99-02-22, Ms. Dojaquez originally agreed to pay a \$500 fine, complete education and have her real estate sales agent license placed on probation. After the stipulation was agreed upon, Ms. Dojaquez did not have the funds to pay the fine and decided that she no longer wanted to practice as a real estate agent. The stipulation was thereafter modified and Ms. Dojaquez surrendered her real estate sales agent license in lieu of the other sanctions previously agreed upon. Ms. Dojaquez maintains that in mitigation she must have misread the application, and that she did not have any intention to mislead the Division on her mortgage officer application. #MG18125.

DYCHES, TROY, Mortgage Officer, Orem. Mortgage officer license issued on November 17, 2004 but then immediately suspended until he submits evidence that a plea in abeyance to a criminal matter has been successfully completed and that all restitution has been paid or dismissed. Following the suspension, the license will be on probationary status for the duration of the initial license term.

EADY, DARREN, Mortgage Officer and Control Person, G.O.O.D. Neighbor Mortgage, Lindon. Agreed to pay a \$500 fine because of signing a borrower's name to a "Borrower Signature Authorization" form authorizing the borrower's employer to verify her employment. Mr. Eady maintains that in mitigation the borrower had obtained her original mortgage through him a year earlier and had signed a form at that time authorizing him to obtain employment information, and that he just signed her name to a new form to speed things up on her refinance. #MG21168.

ELLIS, DAVID LEONARD, Mortgage Officer, Pleasant Grove. Agreed to pay an \$800 fine and complete a course in mortgage ethics because of making a false representation to the Division during an investigation. Mr. Ellis did not inform borrowers that their loan had been denied until after the deadline by which they had to cancel their contract in order to receive a refund of their earnest money deposit. He changed the date on a copy of a "Statement of Credit Denial, Termination, or Change" that he furnished to the Division investigator to make the investigator think that he had notified the borrowers of the declination earlier than he actually had. #MG20484.

ENVISION MORTGAGE, INC, and its Control Person JONATHAN ROBERTS, Garland. Agreed to pay a \$2,500 fine for permitting an individual to work as a mortgage loan officer before the individual obtained his license from the Division. #MG 23187.

FLOWERS, CHERYL Y., Mortgage Officer, Sandy. Application for registration approved on January 7, 2004 but the registration was immediately suspended until she had paid all fines, completed all community service, and successfully completed her court ordered probation in a criminal case.

GREAT WEST MORTGAGE, LC and its Control Person JASON PARMAN, Holladay. Agreed to pay a \$2,500 fine for permitting an individual who did not yet hold a residential mortgage officer license to engage in the business of residential mortgage loans on their behalf. #MG 23186.

HADLOCK, SEAN, Mortgage Officer, Lindon. Surrendered his mortgage officer license effective January 5, 2005. While acting as Branch Manager for the Orem office of New Freedom Mortgage, Mr. Hadlock on multiple occasions fabricated subordination agreements at the height of the refinancing boom because it was taking from 2 weeks to 2 months to receive subordination agreements. After the fabricated agreements were submitted to New Freedom Mortgage, Mr. Hadlock would later replace them with genuine subordination agreements. Mr. Hadlock maintains that in mitigation when New Freedom Mortgage fired him because of these acts, \$80,000 was withheld from his earnings, the purpose of which was to make whole the lenders who had relied upon the fabricated documents. #MG21066.

HASNA, J. PAUL, formerly Control Person for Park Capitol Financial, LLC, Murray. Agreed to pay a \$500 fine for failing to prevent improper advertising of a mortgage business that he had purchased and licensed with the Division. After the renewal of Park Capitol Mortgage was denied because of the failure of its owner/manager Gavin Ekstrom to meet the statutory requirement of good moral character, Mr. Hasna purchased the business from Mr. Ekstrom. The Division thereafter received a complaint that Gavin Ekstrom was still advertising Park Capitol Mortgage. Mr. Hasna maintains that in mitigation he was unaware of the continuing advertising and that he caused it to be discontinued upon learning of it. #MG 20313

HEAPS, DAVID A., Mortgage Officer, Midvale. Application for license issued on March 16, 2004 on a restricted status because of factors including a criminal history. The license was immediately suspended until such time as all outstanding obligations assessed in the criminal matter were paid. Following the suspension, the license is to remain on probation until first renewal.



Utah Real Estate Appraiser Review

Purpose: To provide licensees with the information and education they need to be successful in competently serving the public.

Division DirectorDexter L. Bell
Editor Mark Fagergren

Utah Real Estate Appraiser Licensing and Certification Board

Chairman -- Lynn N. Christensen
Vice Chairman -- J. Philip Cook
Members -- Jennifer Szczypkowski, Craig Morley, Holly J. Christensen

Published by the

*Utah Division of Real Estate
Department of Commerce
160 East 300 South (84111)
PO Box 146711
Salt Lake City, UT 84114-6711
(801) 530-6747*

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HERRERA, LISA, Mortgage Officer, Santa Clara. Agreed to surrender her mortgage officer license effective June 1, 2005 rather than continue to respond to the Division's investigation of a complaint involving a loan origination in which funds were retained for services that were not actually performed, and permitted a party to submit false information to induce a lender to extend credit. #MG21122.

HESTER, MARGO R., Mortgage Officer, Murray. Application for registration approved on August 20, 2003 but placed on probation until first renewal because of a criminal conviction for which she was off probation.

HIDDEN VALLEY MORTGAGE LLC and its Control Person AARON HARDY, Salt Lake City. Applications for renewal approved on August 25, 2003 but the registrations were placed on probation until the next renewal because of Aaron Hardy's misdemeanor conviction and a plea in abeyance to another criminal charge, and his failure to notify the Division of the plea and conviction.

HOUSTON, JAMES, Mortgage Officer, Midvale. Application granted September 15, 2003 on probation until first renewal because of factors including a criminal history.

INSIGHT MORTGAGE, LLC, North Salt Lake. Agreed to pay a \$2,500 fine for permitting an individual to work as a mortgage loan officer before the individual obtained his license from the Division. #MG 23605.

KENWORTHY, HEATHER MORSE, Mortgage Officer, South Jordan. Application for registration approved on July 10, 2003 on probation until first renewal because of a criminal conviction for which she was off probation.

KIMBALL, KRIS A., Mortgage Officer, Sandy. Registration issued on February 20, 2003 on probation until first renewal because of factors including a criminal history.

LAYTON HILLS MORTGAGE and WILLIAM RAY, its Control Person, Layton. Agreed to pay a \$5,000 fine for allowing two mortgage loan officers whose licenses had expired to engage in loan origination on behalf of Layton Hills Mortgage. In mitigation, Mr. Ray maintains that he stopped the two individuals from originating loans after the Division's field audit found that they did not have licenses. #MG22765

MC CARTY, JAMES R., Mortgage Officer, Murray. Application for license approved on March 11, 2004 on a restricted status because of a plea in abeyance in a criminal case. The license was immediately suspended until all fines are paid in the criminal case. Following the suspension, the license was to remain on probation until first renewal.

MILES, BRAD R., Mortgage Officer, Hooper. Application for registration approved on November 25, 2003 but placed on probation until first renewal because of a disciplinary proceeding against him

by the National Association of Securities Dealers and a denial by the Utah Insurance Department of his application for renewal of his insurance license.

NANCE, COREY D. Mortgage Officer, Sandy. Application for renewal granted on April 7, 2003, on probation until next renewal because of factors including a criminal conviction.

OLSEN, JORGEN P., Mortgage Officer and Control Person, and JPM FINANCIAL SERVICES, Mortgage Entity, Salt Lake City. In a May 17, 2004 order, because of factors including the arrest of Mr. Olsen in a criminal matter, the decision on applications for renewal was continued pending resolution of the criminal case. The licenses were temporarily renewed pending the resolution of the criminal case. If the arrest resulted in a conviction or a plea agreement, then the applications for renewal were to be granted but placed on probation until the next renewal. If the criminal charge was dismissed, the applications were to be granted.

PARK CAPITOL MORTGAGE, LLC, Salt Lake City. Application for renewal denied because its manager Gavin Ekstrom failed to meet the statutory criteria of good moral character and the competency to transact the business of residential mortgage loans. Mr. Ekstrom submitted to a lender, or permitted Park Capitol Mortgage, LLC to submit to a lender, documents that materially misrepresented the qualifications of a borrower, namely false business licenses, altered checking account bank statements, and one or more false loan applications. Park Capitol Mortgage, LLC either participated in creating the false documents or accepted the false documents from the party from whom the borrower had contracted to purchase the property, instead of obtaining the documents directly from legitimate, reliable sources. In addition, Park Capitol Mortgage, LLC, through Gavin Ekstrom, provided the funds necessary to close in the amount of \$6,626.45 to the borrower.

PETERSEN, DONALD H., Mortgage Officer, Sandy. Agreed to pay a \$500 fine for unprofessional conduct in a transaction. The Division received a complaint from a borrower who alleged that he had applied for a fixed-rate loan, but that when he arrived at the title company to close the loan, he was presented with documents for an adjustable rate mortgage. Mr. Petersen maintains that the borrower was orally informed that his loan would be an adjustable rate mortgage. #MG20580

PIONEER MORTGAGE SERVICES, LLC, Sandy. Agreed to pay a \$5,000 fine because Division investigators found while conducting a field audit that two mortgage officers were actively engaged in originating loans on behalf of Pioneer Mortgage Services, LLC with expired licenses. #MG22764

PLAZAS, CARLOS E., Mortgage Officer, West Jordan. Application for license approved on January 2, 2004 on probation until the first renewal because of factors including a criminal conviction and failure to stay current on his child support obligation.

PUENTE, JACKIE, Mortgage Officer, Ogden. Application for

registration approved on May 18, 2004 on a restricted status because of factors including a criminal history. The license was immediately suspended until such time as all fines in the criminal matter are paid. Following the suspension, the license is to remain on probation until the first renewal.

ROSALES, ARTURO, Mortgage Officer, Salt Lake City. Application granted October 3, 2003 on probation until first renewal because of factors including a criminal conviction.

SCADDEN, TANNER, Mortgage Officer, West Haven. Agreed to pay a \$400 fine because of advertising "For Sale by Owner" properties through a web site, signs, and property flyers that showed ACE Mortgage and Mr. Scadden's telephone number as the only contract point and phone number for information about the property. #MG21305.

SIGNATURE FINANCIAL, INC. and its Control Person KIM S. KIMBALL. Agreed to pay a \$2,500 fine for allowing an individual with an inactive license to engage in the business of residential mortgage loans on behalf of the company. The loan officer's license was inactivated on January 1, 2005 when he had not passed the licensing examination by that date. After the Division's field audit on January 13, 2005, the loan officer took the examination again and passed it, and activated his license again. #MG23095.

SINCLAIR, LINDSEY, Mortgage Officer, Sandy. Agreed to pay a \$1,000 fine for falsely identifying another person as the loan officer on an application and failing to keep certain records on a transaction. Ms. Lindsey helped her sister obtain a mortgage through the mortgage company with which she was licensed, and asked another mortgage officer to sign the loan application to make the application appear to be an arm's-length transaction. She also failed to verify her sister's employment or earnings and failed to disclose to the underwriter that her sister's real estate license had been inactivated prior to the loan application. #MG19005

SMITH, LOWELL DENE, Mortgage Officer, Salt Lake City. Application for registration approved on August 21, 2003 but placed on probation until first renewal because of factors including a criminal history.

STEVENS, TREVOR, Mortgage Officer Applicant, Salt Lake City. Application for mortgage officer license approved on February 11, 2005 on probationary status until first renewal because of factors including past criminal history. During the license probation, acknowledgement by his control person that the control person has been informed of the license probation will be required before Mr. Stevens may license with any mortgage entity.

TAYLOR, J. ROBERT, Mortgage Officer, Salt Lake City. Application granted December 17, 2003 on probation until the first renewal because of factors including a criminal conviction.

TLS FINANCIAL SERVICES, INC. and its Control Person TANNER SCADDEN, Kaysville, Utah. Agreed to pay a \$2,500.00 fine for

employing a person as a mortgage loan officer who no longer held a license. #MG 23606.

TRANTER, JUSTIN, Mortgage Officer, Salt Lake City. License surrendered effective January 5, 2005. Mr. Tranter received checks from a number of borrowers at the time of loan application, which checks were intended either for first payments on the loans or for processing fees on the loans, but cashed those checks for his own personal use. He caused a title company to disburse funds intended to be used for appraisal fees, and used those funds for his own personal use. He also falsified loan closing documents and misled borrowers into believing that they had obtained new mortgage loans. #MG20091.

TRUITT, BRIAN LAWRENCE, Mortgage Officer, South Jordan. Application for registration approved on April 1, 2003, to be issued once he provided proof that he had completed court-ordered counseling and been released from criminal probation. Once the registration was issued, it was to remain on probation until first renewal, because of factors including a criminal conviction.

VAN DYKE, RICHARD and K&R MORTGAGE SERVICES INC., Alpine. Licenses surrendered effective June 2, 2004 rather than continue to respond to the Division's investigation of complaints filed against them in cases MG19505 and MG30403.

VERITAS IN COMMERCIIUM, LLC, and JOHN A. THOMAS, Lehi, Utah. Agreed to pay a \$2,500.00 fine for permitting an unlicensed individual to work as a mortgage loan officer. Although the individual had passed the mortgage licensing examination in December 2004, and had given his application for a license to Mr. Thomas, the application was not turned in to the Division. #MG 23604.

WALLOP, JONNETTE, Sales Agent Applicant, Salt Lake City. Application for sales agent license approved on January 25, 2005 on probationary status until first renewal because of factors including past criminal history and child support arrearages. During the probationary period, broker acknowledgement of license probation is required for affiliation with any broker.

The following is a list of individuals whose mortgage licenses were automatically revoked for failure to accurately disclose their criminal background on their initial applications. Individuals with a * next to their name had post-revocation hearings before the Utah Residential Mortgage Regulatory Commission, but the revocations were upheld.

<u>Name:</u>	<u>Revocation Date:</u>
Abernathy, David	03/09/2005
Armijo, Dario	03/09/2005
Boos, Steven	06/08/2005
Cates, Arron	03/08/2005
Christian, Gregory S.	03/08/2005
Connell, Keith	05/23/2005

Devos, Jurgen	11/29/2004
Dimmick, John	12/06/2004
Domingo, Darius L.	03/08/2005
Edwards, Tyler	03/08/2005
Evans, McKenzie	06/08/2005
Flint, Ryan	12/10/2004
Floor, Andrew	03/09/2005
Garcia, Hector	05/23/2005
Gibb, Jay R.	10/28/2004
Glasser, Aaron M.	05/23/2005
Grindstaff, Jesse	11/15/2004
Han, Michael	06/09/2005
*Hansen, Tresa	03/08/2005
Hawkins, Nichole	05/23/2005
*Hofhine, Marci	03/08/2005
Johnson, Cori	06/08/2005
Lyon, Jason	05/23/2005
Mangum, Bryan	05/23/2005
Maycock, Brandon	05/23/2005
McKinnis, Moses	03/08/2005
Mills, William J.	12/15/2004
Morgan, Ryan	10/27/2004
Moore, Donnie	05/23/2005
*Mosher, Ryan	02/02/2005
Outzen, Sean W.	03/08/2005
Reber, Rick	11/12/2004
Rice, Steven James	03/09/2005
*Rogers, Carl	12/06/2004
*Salazar, Gloria	03/08/2005
Santos, Fernando A.	06/08/2005
Sharp, Justin	03/09/2005
*Shelley, Kevin	12/01/2004
Sparks, Heath	03/08/2005
Spratt, Byron E.	10/25/2004
Swann, David	06/08/2005
Yates, Robert Taylor	10/22/2004

The following is a list of individuals whose mortgage licenses were automatically revoked for failure to accurately disclose their criminal background on their initial applications. Their licenses were reinstated after a post-revocation hearing before the Mortgage Commission.

<u>Name:</u>	<u>Revocation Date:</u>	<u>Reinstatement Date:</u>
Aguilar, Lynnae	05/23/2005	07/07/2005
Buttars, Rhett	10/25/2004	12/13/2004
Carver, Spencer	12/09/2004	02/07/2005
Derring, Christopher	11/12/2004	01/29/2005
Hayward, Brant H.	11/04/2004	12/13/2004
Johnson, Ramsey	11/29/2004	01/20/2005
Parker, Jon	11/08/2004	12/13/2004
Pate, Bud D.	11/08/2004	12/13/2004
Petner, Lance	12/10/2004	02/07/2005
Roestenburg, Scott	11/29/2004	02/07/2005
Swanson, Ryan	12/06/2004	03/21/2005
Washington, Kyle	12/09/2004	07/07/2005
Whalen, Sean	11/15/2004	12/13/2004

Important Changes

continued from page 1

appears on a topic list [of State approved education]. Because there is no guidance regarding the amount of coverage (classroom hours) for each topic, there have been considerable inconsistencies in the education received by appraisers holding similar state credentials. The emphasis has been on the total number of classroom hours, rather than on the amount of coverage in specific topics.... [As of 1/1/08 there will be] a Required Core Curriculum [that will include classroom hours by topic] for each appraiser classification.”

During the May 2005 Utah Appraiser Licensing and Certification Board meeting, the Board voted to accept a “Segmented” Scenario for implementing the new licensing requirements. The requirements are broken down into three segments (or components): Education, Experience, and Examination. An applicant will have to meet the Criteria in effect at the time he or she completes a particular component or segment. Any component completed before January 1, 2008, would satisfy the new Criteria, while any component not completed by January 1, 2008, would have to conform to the new Criteria.

It is a requirement in Utah that an appraiser applicant have *both* education and experience approved by the Appraiser Board and the Division *before* he is authorized to take a specific exam. The educational requirements are increasing as of January 1, 2008. The AQB is in the process of developing new Uniform State Appraiser Examinations, which will be implemented concurrently with the effective date of the new educational Criteria - January 1, 2008. Experience requirements have not changed.

The “Segmented” approval method for licensing currently allows a candidate to submit *either* his experience *or* education for approval. In other words it is now possible that a candidate could have experience approved before the implementation of the new guidelines (1/1/08), and his education not approved. Or, a licensing candidate could have his education submitted and approved before year end 2007 and *not* have his experience approved. Either situation is now possible under the “Segmented” licensing scenario.

For clarification, here’s another example. An applicant for a Certified General credential completes all of the currently required 180 hours of qualifying education and completes experience documenting 30 months and 600 experience points. These two segments are submitted, reviewed by the Division and approved by the Utah Appraiser Licensing and Certification Board before the end of 2007. Because the applicant completed the education and experience components before January 1, 2008, he or she would be deemed to have satisfied those two components. Therefore, the only component that the applicant would have to satisfy under

continued on next page

Important Changes

continued from previous page

the new Criteria would be the new examination. Please note: in this example the two components were not merely submitted to the Division before the end of 2007. Rather, they were submitted with sufficient advance time for the Division to adequately review the application, submit the education and experience to their respective Appraiser Board Committee for their review, and finally the results of these reviews were returned to the Board for approval to sit for the exam. Each of these steps has to be completed before the end of 2007. Inadequate planning on the part of the applicant will not prevent the imposition of the new requirements on 1/1/08. Each application segment that is not completed and approved before the end of 2007 falls under the new requirements, even if the segment has been submitted to the Division before 12/31/07.

Any individual who wishes to become an appraiser or upgrade his current license needs to complete (receive specified approval from the Division) the segmented application process (not just submit an application) by December 31, 2007 in order to qualify under the existing standards. Anyone who does not hold the appraiser license designation he desires by December 31, 2007, must meet the new requirements for the particular segment that has not been completed; in order to obtain it. Exceptions will not be made for any applicants who fail to complete the licensing process, for any reason. As of January 1, 2008 the new requirements must be met in order to become a Licensed Appraiser, Certified Residential Appraiser, or Certified General Appraiser. Appraiser Trainee education requirements are not being changed at this time.

Continuing education requirements have not changed. Every licensing period each appraiser needs to complete the 7-hour National USPAP Update Course taught by an AQB-certified instructor (or an approved equivalent course), as part of the 28 hours of continuing education that are required every two years as part of a licensee's renewal process.

We emphasize these changes now to ensure that individuals who wish to qualify to become an appraiser or upgrade their current license under the existing standards have enough time to do so. However, we also point out that these changes are being made by the AQB as a result of a three-year study.



Trainee Supervision and Conduct

I have just hired an appraiser trainee. What can I have him/her do during the training period?



A trainee needs to obtain 400 points as a trainee over at least a one year period of time. The first 100 points requires supervised inspections. The remaining 300 points do not require the appraiser to inspect property that is being worked on by the trainee. However, all of the points accumulated and the work completed by the trainee require supervision. The trainee may assist the appraiser in all aspects of the appraisal process and receive credit for their participation in the appraisal.

A trainee is NOT an appraiser. The person signing the report is the appraiser. A trainee can not sign any portion of the appraisal report. The scope of the work completed by the trainee must be clearly disclosed in the appraisal report.

While it is not required by USPAP for the appraiser to inspect the property being appraised, the scope of work completed by the appraiser must be disclosed in the appraisal report. Many commonly used appraisal report forms have blocks where the date the inspection took place and the date that the report was written are printed on the forms, near the signature block. As the trainee is not the appraiser, the date of the inspection is the date that the appraiser (NOT the trainee) inspected the property. URAR residential appraisal report forms have two areas where the appraiser signing the report states whether the appraiser physically inspected the interior and exterior of the property. An appraiser who signs an appraisal report stating he inspected the property, when it was inspected by the trainee only, has violated ethical standards of USPAP.

Even though the trainee may have acquired 100 points of supervised inspections and is not required by state law to have the appraiser inspect every property with the trainee, the appraiser who signs the report must disclose in the appraisal report if the property was inspected by the "supervising" appraiser. Failure to do so violates USPAP, because the appraiser has provided a misleading report.

One has to wonder how an appraiser supervising a trainee can provide adequate supervision when the trainee is not located in the same vicinity as the appraiser. It appears in some cases that there is very little actual training going on. Much of the appraisal analysis is poorly done with no apparent logical support for the adjustments being made to the comparable sales. Trainees require training. It is the responsibility of the supervisor to review the work and professional development of a trainee under his supervision.

IMPORTANT CHANGES TO APPRAISER QUALIFICATIONS

On February 20, 2004, the Appraiser Qualifications Board of The Appraisal Foundation adopted changes to the Real Property Appraiser Qualification Criteria that will become effective on January 1, 2008. These changes represent the minimum national requirements that each state must implement for individuals applying for a real estate appraiser license or certification as of January 1, 2008. The changes include increased education, which is summarized as follows:

Category	Current Requirements ¹	1/1/08 Requirements ^{1,2}	1/1/08 College-Level Course Requirements ³
License	90 hours	150 hours	None
Certified Residential	120 hours	200 hours	Associate degree or higher. In lieu of the required degree, Twenty-one (21) semester credit hours covering the following subject matter courses: English composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers - Word Processing/Spreadsheets; and Business or Real Estate Law.
Certified General	180 hours	300 hours	Bachelors degree or higher. In lieu of the required degree, Thirty (30) semester credit hours covering the following subject matter courses: English composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers - Word Processing/Spreadsheets; and Business or Real Estate Law; and two (2) elective courses in accounting; geography; ag-economics; musiness management; or real estate.

¹ Hours required include completion of the 15-hour National USPAP Course (or its equivalent).

² Hours required include specific core curriculum courses and hours - please see the Real Property Appraiser Qualification Criteria for details.

³ College level courses and degrees must be obtained from an accredited college or university.

The Appraiser Qualifications Board intends to issue additional guidance regarding implementation of the revised Criteria in the near future. Please be sure to check their website: www.appraisalfoundation.org for the latest information. Questions regarding the national requirements can be directed to The Appraisal Foundation, 1029 Vermont Avenue, NW, Suite 900, Washington, DC, 20005; online at www.appraisalfoundation.org; or, via phone at (202) 347-7722.



State of Utah
Appraiser Trainee Registration Form
page 1 of 2

Division of Real Estate
PO Box 146711
Salt Lake City, UT
84114-6711
(801) 530-6747

(Please Print)

NAME _____ DATE _____

ADDRESS OF PUBLIC RECORD _____

PHONE _____

CITY _____ STATE _____ ZIP _____ FAX _____

HOME ADDRESS (if different from above) _____ PHONE _____

CITY _____ STATE _____ ZIP _____ DATE OF BIRTH _____

SOCIAL SECURITY NUMBER _____ - _____ - _____ E-MAIL _____

**SUMMARY OF APPRAISAL TRAINEE CRITERIA
SET FORTH IN ADMINISTRATIVE RULES 162-105**

Classroom Hour Requirement. In order to become a trainee, the applicant must complete 75 classroom hours of State-approved education in subjects related to real estate appraisal, including the Uniform Standards of Professional Appraisal Practice (USPAP), and must have passed the final examination in the USPAP course. Credit will only be granted for a course that has been successfully completed. Successful completion of a course means that the applicant has attended a minimum of 90 percent of the scheduled class hours, has completed all required exercises and assignments, and has achieved a passing score on the course final examination. Please submit certificates or other evidence of completion for each course and document the course names, course provider names, and course completion dates for the 75 hours of education on page 2 of this registration form.

Experience Requirement. Until 9/10/2009, points that were earned before 9/10/2004 may be claimed if appropriately documented. Applicants will have to specifically document experience points at the time an application is made for State-Licensed Appraiser. No points can be earned after 9/10/2004 until this trainee registration form is completed and submitted to the Division.

Supervising Appraiser(s). A trainee must be accompanied by a supervising State-Licensed Appraiser, State-Certified Residential Appraiser, or State-Certified General Appraiser on all inspections of residential property until the trainee has performed 100 inspections of residential properties in which both the interior and exterior of the properties are inspected. A trainee must be accompanied by a supervising State-Certified General Appraiser on all inspections of non-residential property until the trainee has performed inspections of non-residential properties worth 20 points in which both the interior and exterior of the properties are inspected. A trainee may have more than one supervising appraiser. Additional space for supervising appraisers is on page 2 of this registration form.

Name _____ License number _____

Business Address _____ City, State, Zip _____

Supervisor Signature _____ Date _____

Supervised points earned before 9/10/2004 (if applicable) _____

Under penalty of perjury, I attest that the information submitted on this application is true. I understand the requirements and that willfully submitting false information can result in license revocation and/or criminal prosecution. I attest that I have obtained and read the Utah Real Estate Appraiser Licensing and Certification Act and the rules promulgated thereunder, and I understand them and agree to abide by them.

State of Utah _____ § Signature _____

County of _____

Subscribed and sworn to before me this _____ day of _____, _____.

Notary Public: _____

My commission expires: _____ Residing at: _____



State of Utah
Appraiser Trainee Registration Form
page 2 of 2

Division of Real Estate
PO Box 146711
Salt Lake City, UT
84114-6711
(801) 530-6747

EDUCATION DOCUMENTATION

Please submit the original course completion certificates (75 hours total) to verify the listed education courses.

Course Name	Course Provider	Course Completion Date

SUPERVISING APPRAISER(S)

Name _____ License number _____
Business Address _____ City, State, Zip _____
Supervisor Signature _____ Date _____
Supervised points earned before 9/10/2004 (if applicable) _____

Name _____ License number _____
Business Address _____ City, State, Zip _____
Supervisor Signature _____ Date _____
Supervised points earned before 9/10/2004 (if applicable) _____

Name _____ License number _____
Business Address _____ City, State, Zip _____
Supervisor Signature _____ Date _____
Supervised points earned before 9/10/2004 (if applicable) _____

Name _____ License number _____
Business Address _____ City, State, Zip _____
Supervisor Signature _____ Date _____
Supervised points earned before 9/10/2004 (if applicable) _____

FOR OFFICE USE ONLY

Registration Form Received: _____
Registration Form Processed: _____
Registration Number: _____

Processed by: _____



State of Utah
**APPRAISER CONTINUING
EDUCATION REPORT FORM**

Division of Real Estate
PO Box 146711
Salt Lake City, UT
84114-6711
(801) 530-6747

1. This form must be completed in its entirety. If any portion of the form is incomplete, it will be returned to you.
2. Keep a copy of this form for your files.
3. At time of renewal ONLY, submit this form to: Utah Division of Real Estate
PO Box 146711
Salt Lake City, UT 84114-6711
4. If this form is submitted without renewal papers, it will be destroyed.

PLEASETYPEORPRINTLEGIBLY.

Name	Social Security Number
Mailing Address	License Number
City/State/Zip Code	Telephone Number

Program Title	Sponsoring Organization
Program Date(s)	Number of Hours
Program Location	
Description of Activity and Content (you may attach a brochure)	

Signature of Instructor/Program Official

Continuing Education courses must be for a minimum of two hours in length. Each course must meet the subject matter requirement of the Appraiser Qualifications Board which is the following:

- | | |
|---|---|
| <ul style="list-style-type: none">a. Ad valorem taxationb. Arbitrationc. Business courses related to practice of real estate appraisald. Construction estimatinge. Ethics and standards of professional practicef. Land use planning, zoning and taxationg. Management, leasing, brokerage, timesharing | <ul style="list-style-type: none">h. Property developmenti. Real estate appraisal (valuations/evaluations)j. Real estate lawk. Real estate litigationl. Real estate financing and investmentm. Real estate appraisal related computer applicationsn. Real estate securities and syndicationo. Real property exchange |
|---|---|

I certify that I have completed the above course in its entirety. I understand that the information on this form may be verified. I am aware that any misrepresentation by me may be subject to disciplinary action.

Signature of Licensee	Date
-----------------------	------

**Department of Commerce
Division of Real Estate
PO Box 146711
Salt Lake City UT 84114-6711**

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